

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2063 - SB 2236

February 27, 2014

SUMMARY OF BILL: Requires a health care provider, prior to scheduling a health care service or making a referral to an out-of-network physician, provider, or facility, to provide a written notice to the patient regarding the nature of such referral or scheduling. The requirement does not apply to emergency or urgent care referrals or circumstances in which prior approval for the referral or scheduling has been obtained from the patient's health insurance carrier by the patient's physician. Requires a facility or provider to verify that a patient's physician has complied with the notice requirements prior to scheduling a health care service.

Prohibits a patient from being charged or billed an amount greater than an in-network rate for any health care service for which a non-participating or out-of-network scheduling or referral was made if notice was not provided as required.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the Department of Health, the bill will require both facility and practitioner regulations to be amended. These regulation amendments can be accomplished during regularly scheduled meetings of the respective health related boards.
- The department will also train survey staff to review facilities for compliance. Any training can be accomplished during regular trainings.
- Any increase in expenditures incurred by the Department of Health can be accommodated within existing resources without an increased appropriation or reduced reversion.
- According to the Department of Commerce and Insurance, the provisions of the bill will not affect the oversight or regulatory operations of the department.
- According to the Bureau of TennCare, the bill will not impact the program.
- According to the Division of Benefits Administration within the Department of Finance and Administration, the proposed legislation will not affect the benefits structure of the state sponsored health plans.

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IMPACT TO COMMERCE:

Other Impact to Commerce – Due to a number of unknown variables, an exact impact to commerce cannot be determined.

Assumptions:

- Health care providers and facilities will not incur a significant increase to expenditures to provide the required notice.
- If instances occur in which proper notice was not provided, the patient cannot be charged more than an in-network rate for the service that was scheduled or referred to an out-of-network provider or facility.
- If the patient pays an in-network rate for a service at an out-of-network facility or provider, there could be fiscal ramifications to the health care provider, facility and health insurance carrier.
- Due to a number of unknown variables, such as how often an instance may occur, the benefit structure of all health plans to which the provisions of the bill will apply, the variance between the in-network and out-of-network rates, and the degree to which a provider, facility or carrier may adjust other rates to cover the loss of the out-of-network charge, an exact impact to commerce cannot be determined.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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